

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

Case No. 07-50075

WILLIAM MATHISEN,

Chapter 11

Debtor.

Judge Thomas J. Tucker

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ORDER REQUIRING DEBTOR TO AMEND DISCLOSURE STATEMENT

On October 11, 2007, Debtor filed an amended plan and disclosure statement, in a document entitled “Debtor’s Modified Combined Chapter 11 Plan and Disclosure Statement Dated October 11, 2007” (Docket # 82). The Court cannot yet grant preliminary approval of the disclosure statement contained within this document (“Disclosure Statement”). The Court notes the following problems, which Debtor must correct.

First, Group II of Article II of the Plan on page 7 consists of “11 U.S.C. [§] 507(a)(8) claimants.” Yet, Debtor includes in Group II, 11 U.S.C. § 507(a)(5) claimants. With regard to Group II, the Plan states: “This Group also may include the Benefit Funds, if any, to the extent as may be allowed under 11 USC 507(a)(5) but only to the extent as may be applicable to the Debtor. Debtor estimates the amount allowed under 11 USC 507(a)(5) will be less than \$5,000.”

The Plan on page 8 also states regarding the § 507(a)(5) claimants:

Claim 9-1 was filed by the Pipefitters and Plumbers Unions Benefit Funds, asserting priority in the amount of \$152,861.75, which is believed to include \$138,965.24 in unpaid fringe benefit contributions for the period of February 2006 through November 2006. Debtor will file objections to this claim including on the grounds that priority is not allowed as to that portion of the claim arising prior to 180 days before the bankruptcy petition filed May 22, 2007.

Debtor must move the discussion of the § 507(a)(5) claimants and their treatment from Group II to a newly created Group III.

Second, the Plan on page 9 discusses Voting Class II, which consists of the secured claim of the Internal Revenue Service, but does not state whether this class is impaired or unimpaired. Debtor must amend the Plan to state that this class is impaired. Debtor must also state, in this section, the total amount of the Internal Revenue Service's claim, if known, or the estimated amount of the claim.

Third, the Plan on page 12 discusses Voting Class IV, which consists of unsecured claims in excess of \$25,000. The Plan states that these claims "will be paid in accordance with 11 U.S.C. 1129(a)(15)." This statement is too vague. Debtor must amend the Plan so that it specifies how much the creditors in this class will be paid either by reference to a specific, stated percentage of the allowed claims in this class to be paid or specific, stated amount(s) of periodic or non-periodic payments to be distributed on a pro-rata basis to this class. If Debtor's intention is simply to satisfy the "projected disposable income" requirement of 11 U.S.C. §1129(a)(15)(B), Debtor must project what his "projected disposable income" will be and quantify that amount in the Plan.

Fourth, the Disclosure Statement on page 30 states: "In addition to the following textual description of the financial information, Debtor attaches as an exhibit certain financial summaries and projections as required by the Order Establishing Deadlines and Procedures." However, the exhibit is not attached. Debtor must attach the exhibit.

Fifth, on page 13 of the Plan, Debtor states that "Debtor will *accept* the executory land contract for his purchase of the real estate and building located at 4800 Joslyn Road," and that

“Debtor will *accept* the executory purchase agreement from Opaleskis.” (Italics added). It is unclear what Debtor means by “accept.” If Debtor means that he will “assume” the referenced executory land contract and purchase agreement, *see* 11 U.S.C. § 365(a), Debtor must amend the Plan state this.

Sixth, on page 15 of the Plan, Debtor describes the monthly payments he will make, in “equal monthly installments” under the Plan, by using a complicated verbal formula and no actual numbers, other than specific *maximum* amount(s). This is too vague. Debtor must state the specific dollar amount(s) of the equal monthly payments he will make under the Plan.

Accordingly,

IT IS ORDERED that Debtor must file, no later than **November 5, 2007**, a second amended combined plan and disclosure statement which corrects the above stated problems.

IT IS FURTHER ORDERED that Debtor also must provide to Judge’s chambers, no later than **November 5, 2007**, a redlined version of the second amended combined plan and disclosure statement, showing the changes Debtor has made to “Debtor’s Modified Combined Chapter 11 Plan and Disclosure Statement Dated October 11, 2007” (Docket # 82), filed October 11, 2007. Debtor must submit this redlined document to chambers electronically, through the Court’s order submission program.

Signed on October 26, 2007

/s/ Thomas J. Tucker
Thomas J. Tucker
United States Bankruptcy Judge